



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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January 10, 2000

Pat Gochnour
Gochnour & Associates, Inc.
5231 South Quebec
Greenwood Village, Colorado 80111

Re: Exploration Amendment Within the Large Mine Permit Area, Summo USA Corporation - Lisbon Valley Mining Co. LLC, Lisbon Valley Copper Project, M/037/088 (UTU- 72499, ML-20569), San Juan County, Utah

Dear Mr. Gochnour:

The Division has reviewed the exploration proposal dated December 20, 1999 submitted by you on behalf of Summo USA Corporation. The proposal describes 15 drill holes, 15 drill pad sites, and approximately 1,200 feet of access roads all on state leased land. The proposal included a reclamation cost estimate of \$5,250. The proposal states that all of the 1999 exploration disturbance was reclaimed and Summo wishes to substitute the 1999 surety for this proposed year 2000 work.

The information provided in this proposal satisfies the Division's information requirements for such an amendment to an existing large mine notice; however, the substitution of the 1999 surety cannot be accepted until the 1999 reclamation work has been verified by Division, BLM or SITLA staff. **The Division cannot approve this amendment at this time.**

The Division can release portions of a reclamation surety in recognition of earthwork and hole plugging which has been completed, provided the reclamation has been verified. The Division typically retains a portion of the reclamation surety to cover reseeding costs until the revegetation has been successful. This revegetation success may require up to three growing seasons.

The current surety amount posted specifically for the 1999 exploration project is \$7,166. If the 1999 reclamation work is deemed acceptable the current surety amount of \$7,166 could be substituted as surety for the proposed 2000 work. This substitution would provide an additional surety amount of \$1,916 to ensure revegetation success of the 1999 work. The \$7,166 surety

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amount would be acceptable to the Division as reclamation surety for the proposed 2000 project if the 1999 reclamation is acceptable.

We appreciate the invitation to examine the reclamation and proposed project area with Summo staff. A joint inspection with representation by all three agencies would expedite the review and approval for this proposal. Please contact me at (801) 538-5286 or Tony Gallegos at (801)538-5267 to coordinate a site inspection.

Sincerely,

A handwritten signature in black ink, reading "D. Wayne Hedberg". The signature is fluid and cursive, with the first name "D." and last name "Hedberg" clearly legible.

D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program

jb
cc: Will Stokes, SITLA
Bill Stringer, BLM Moab FO
m37-88e2.ltr